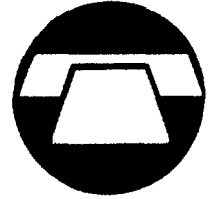


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DILLER TELEPHONE CO.

William P. Sandman, Manager

P.O. Box 218  
Diller, Nebraska 68342  
Telephone (402) 793-5330

July 20, 1994

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JUL 26 1994

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

The Honorable William F. Caton  
Commissioner  
Federal Communications Commission  
1919 M Street, NW, Room 802  
Washington, DC 20554

Dear Commissioner Caton:


Included you will find a letter addressed to FCC Chairman Hundt in support of the comments of the National Rural Telecommunications Cooperative (NRTC) in the matter of Implementation of Section 19 of the Cable Act of 1992.

As a rural DBS programming provider we feel that the ability to include as much programming as possible in our service areas is vital. Currently we are not able to do this because of exclusive programming arrangements between Time Warner/Viacom and USSB.

We ask that you familiarize yourself with our position in this matter and to please take action in accordance with the Cable Act of 1992.

Thank you for your time in correcting this situation.

Sincerely,  
Diller Telephone Company

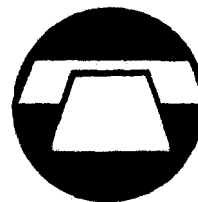
  
William R. Sandman  
President

WRS/jj

cc

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DILLER TELEPHONE CO.

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July 20, 1994

The Honorable Reed Hundt  
Chairman  
Federal Communications Commission  
1919 M Street, NW, Room 814  
Washington, D.C. 20554

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JUL 28 1994

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

RE: Cable Competition Report  
CS Docket No. 94-48

Dear Chairman Hundt:

I am writing this letter in support of the comments of the National Rural Telecommunications Cooperative (NRTC) in the matter of Implementation of Section 19 of the Cable Television Consumer Protection and Competition Act of 1992, Annual Assessment of the Status of Competition in the Market for the the Delivery of Video Programming, CS Docket No. 94-48.

As a rural telephone company and member of NRTC, we have begun to distribute DIRECTV (TM) and DBS television service to customers in S.E. Nebraska and N.E. Kansas.

However, despite passage of the 1992 Cable Act, our company finds it difficult to compete in our local marketplace because of a lack of access to programming owned by Time Warner and Viacom. Access to programming from these huge providers would make our offerings more complete and consumer satisfaction would also increase in areas where cable-type services were not available previously.

Time Warner and Viacom supply very popular networks like HBO, Showtime, Cinemax, The Movie Channel, MTV, Nickelodeon, and others with programming. Their programming is available only to our principal competitor in DBS, The United States Satellite Broadcasting Co.(USSB), as a result of an "exclusive" contract signed between USSB and Time Warner/Viacom.

In contrast, none of the programming distribution contracts signed by DIRECTV (TM) are exclusive in nature, and USSB is free to obtain distribution rights for any of the channels available on the service we offer.

Mr. Hundt, Diller Telephone agrees with the NRTC that these exclusive programming contracts run counter to the intent of the 1992 Cable Act. The Act, in my opinion, was designed to prohibit any arrangement that prevents any distributor from gaining access to programming to serve non-cabled rural areas. Under the present circumstances, if one of our DIRECTV subscribers wants to receive Time Warner/Viacom programming, that subscriber must purchase a second subscription to the USSB service. To get Time Warner/Viacom programming there is no other choice and effective competition is being hindered. At our local level there is quite a bit of consumers confusion concerning where to get programming because of this.

Not having access to services such as HBO, Showtime, and Cinemax etc. has adversely affected our ability to compete against other sources in the area such as PRIMESTAR and microwave towers. They call themselves "Country Cable" and have access to Time Warner/Viacom programming. With access to the programming in question, our DIRECTV service will have no barriers to freely compete in the non-cabled areas which we serve. Our customers have expressed a desire to purchase all of their programming needs from us because of our local reputation for quality service and pricing. It is extremely difficult for our sales representatives to explain to the consumer why they cannot purchase all of their DBS programming from us, especially since the passage of the 1992 Cable Act.

We believe very strongly that the 1992 Cable Act flatly prohibits any exclusive arrangements that prevent any distributor from gaining access to cable programming to serve non-cabled rural areas. That is why NRTC supported the Tauzin Amendment, embodied in Section 19 of the Act.

We ask the FCC to remedy these problems so that the effective competition requirements of the Act become reality in rural America. We strongly urge you to banish exclusive arrangements like the ones between Time Warner/Viacom and USSB.

Thank you for your time and consideration in this matter.

Sincerely,  
Diller Telephone Company

William R. Sandman  
William R. Sandman  
President

cc: The Honorable Representative Doug Berueter  
The Honorable Senator Robert Kerrey  
The Honorable Senator Jim Exon  
William F. Caton, Secretary  
The Honorable James H. Quello  
The Honorable Andrew C. Barrett  
The Honorable Susan Ness  
The Honorable Rachelle B. Chong

WRS/jj